

Independent since 1674

METZLER



Fiscal year 2025

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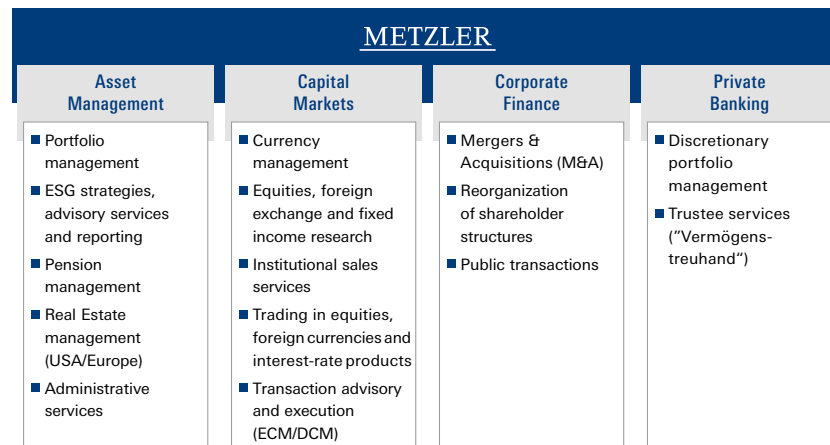
Metzler at a glance

Modern corporate structure

The heart of Metzler is B. Metzler seel. Sohn & Co. Aktiengesellschaft, Germany's oldest private bank with an unbroken tradition of family ownership since its establishment in 1674. Metzler focuses on providing individual services to corporate and institutional clients as well as discerning private individuals in four main business areas

- Asset Management
- Capital Markets
- Corporate Finance
- Private Banking.

These business activities are performed by the bank and its affiliates, which operate as independent legal entities under the auspices of B. Metzler seel. Sohn & Co. Aktiengesellschaft. Metzler is active in Germany and abroad with headquarters in Frankfurt/Main and offices or subsidiaries in Berlin, Düsseldorf, Hamburg, Munich, Stuttgart, Atlanta, Los Angeles, Seattle and Tokyo.



Preserving our independence is pivotal to success

In order to apply this principle to the benefit of our clients, Metzler's approximately 800 employees concentrate on fields where they can provide services which rank among the international leaders. Traditional lending and deposit business only plays a subordinate role at Metzler.

Editorial

2025 was another year marked by a challenging political and economic climate. At the forefront were persistent geopolitical tensions and wars, particularly in Ukraine, increasing political polarization, and, not least, significant trade policy activism. At the same time, the capital markets proved remarkably resilient. In Germany and the USA, for example, the equity markets reached new peaks.

This development was reflected in Metzler Bank's positive overall business performance. As of the balance sheet date, net interest income was exactly in line with our expectations at the beginning of the year. Net fee and commission income, which we already expected to be significantly above the previous year's level, even slightly exceeded our forecasts.

We believe this is a clear indication that our consistently refined strategy is bearing more and more fruit. In 2025, transformative issues like infrastructure, pension schemes, and the globalization of the economy into new markets continued to gain importance in Germany. We identified these issues early on as strategic priorities with growth potential and systematically expanded them throughout the reporting year.

In the pension sector, Metzler Pension Management completed the acquisition of Nürnberger Pensionsfonds AG and thus expanded its strong market position. In the infrastructure sector, Metzler Asset Management achieved the first closing of the YIELCO Metzler Infrastruktur IV fund. We have also strategically expanded our international presence. We have been active in Japan since 2001, and the establishment of Metzler Japan Holdings Inc. on 1 June 2025 underlines how important this market is to us.

Our traditionally strong focus on the capital markets had a particularly positive impact on our equity trading in 2025. We strategically expanded our workforce across the entire value chain in the Capital Markets division. The same applies to our expertise in Corporate Finance and Private Banking.

Development of Metzler's core divisions

Total assets in the **Asset Management** division increased from EUR 77 billion in the previous year to EUR 80 billion at the end of 2025. Investor behavior in 2025 presented a mixed picture, with net inflows and outflows roughly balancing each other out. Capital markets performed positively over the course of the year, with a corresponding effect on assets under management. As of the balance sheet date, Metzler Pension Management managed nearly 940 accounts (previous year: 900) and administered more than 150,000 pension plans and benefit accounts (previous year: 130,000). This resulted in total investments for the account of and at the risk of employees and employers of approximately EUR 19 billion (previous year: EUR 18 billion).

In the **Capital Markets** division, growth in equity trading volume accelerated once again in 2025 compared to the previous year. Our high-quality research was in strong demand. We significantly expanded the number of German companies we regularly cover and prepared issue-related analyses for capital market transactions. Metzler has established itself as a German underwriting bank in the SME segment, and the Corporate Solutions department supported 16 transactions (previous year: four). For the first time, these also included bond issuances from the public sector. Despite geopolitical uncertainties, the Fixed Income department once again recorded a successful fiscal year. In the primary market, we demonstrated our placement strength in SME and SSA bonds and placed a total of eleven deals with investors (previous year: two). Currency Management's contribution to earnings also increased compared to the previous year. Key drivers here included the expansion of assets under management in the Japanese client portfolio by over 40 percent. Forex trading also made a significant contribution to the overall result.

2025 remained challenging for the M&A market as a whole and, consequently, for our **Corporate Finance** division. Nevertheless, our M&A performance, as measured by the number of transactions, was very good in this environment. These transactions reflect our focus on owner-managed and family-owned companies as well as our sectoral positioning with a focus on the energy/

infrastructure, technology, and industrials sectors. In addition, the expansion of our Japanese M&A activities in Tokyo – and the associated advisory services provided to Japanese companies for acquisitions in Germany – as well as our access to family offices increasingly contributed to our ability to secure new transactions.

In the **Private Banking** division, we increased revenues again in 2025. Key drivers included net inflows into asset management and positive performance in global equity markets. This division continued to strengthen its workforce and filled key positions early and as planned in order to ensure continuity and reliability in client service. As part of our regional expansion strategy, we also increased our headcount and opened a private banking office in Berlin in May. Strategically, the focus was on further expanding tailored solutions for high-net-worth individuals, entrepreneurial families, and foundations. We expanded our product offering to include a new bond fund and developed our sustainable investment strategies further. Our equity portfolios were broadly diversified, and market price risks were managed through strategic and tactical asset allocation.

Outlook

Despite geopolitical tensions, the **global economy** is expected to grow by around three percent this year, supported by moderate monetary policy, extensive government spending programs, and heavy investment in artificial intelligence. At the same time, the political environment remains fragile in light of ongoing conflicts, international trade policy, and the US midterm elections in November 2026. In particular, the war that broke out in Iran at the end of February poses a substantial risk to economic growth and inflation. Since the beginning of the conflict, prices for fossil fuels on the global market have risen noticeably. This could temporarily push the year-over-year inflation rate in Germany to above three percent. Assuming sustained de-escalation and the restoration of safe passage through the Strait of Hormuz, energy prices are expected to normalize in the next few months, but a rapid return to the levels seen at the beginning of the year is not expected.

Volatility on the **equity markets** has increased significantly so far this year, and the markets have reacted to geopolitical events with noticeable pullbacks. However, corporate earnings remain the key determinant in the medium to

long term. Market players in the USA and Europe continue to expect double-digit earnings growth this year and next. These expectations have remained largely stable despite recent headwinds – a sign of an overall robust environment and strong pricing power among many large corporations, even though downward corrections could still happen.

On the **bond market**, the interplay between monetary and fiscal policy is coming to the forefront. Increased inflation risks stemming from the Iran conflict are likely to prompt most central banks to adopt a wait-and-see approach for now. However, should inflationary pressure take hold, interest rate hikes by the European Central Bank cannot be ruled out. In the USA, the interest rate cuts expected at the beginning of the year could be postponed in such a scenario. Yields on long-term government bonds are likely to remain near their current levels given high government deficits on both sides of the Atlantic as well as political uncertainties. For 10-year German government bonds, a yield of around three percent is expected by year-end, while yields on comparable US government bonds are likely to hover slightly above the four percent mark.

In the wake of the Iran conflict, the **forex market** saw a flight to safe havens, which benefited the US dollar in particular. The euro came under pressure against the US dollar and temporarily dropped from the peaks reached at the beginning of the year. However, with the geopolitical situation expected to stabilize, this trend is likely to reverse as the year progresses. By year-end, we see potential for the EUR/USD rate to return to around 1.20, driven by gradual normalization in the energy and commodity markets and the resulting improvement in market sentiment among investors.

In light of this persistently very demanding climate, we face a wide range of challenges to overcome. A significant portion of our revenue is generated in capital market-oriented business areas that are inherently subject to fluctuations and depend on developments in the financial markets. With our strong capital base, a traditionally robust liquidity position, our long-term business model, and our strategic focus, we remain well-equipped – for the global challenges described but also with regard to transformative opportunities. We are seeing these opportunities materialize more and more, particularly in Germany. This makes us optimistic – especially since our defined key topics offer attractive growth opportunities for 2026 and beyond.

Boards

B. Metzler seel. Sohn & Co. Aktiengesellschaft

Executive Board

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Franz von Metzler
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Supervisory Board

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Sascha Koppenhagen
Elena von Metzler
Dr. Leonhard von Metzler
Dr. Katrin Stark

Consolidated companies

The consolidated accounts of B. Metzler seel. Sohn & Co. Aktiengesellschaft include the following companies:

B. Metzler GmbH
Metzler am Main GmbH
Metzler Asset Management GmbH
Metzler Immobilien 3 Beteiligungs GmbH
Metzler Immobilien GmbH
Metzler Mittelstands Pensionsfonds AG
Metzler Pensionsfonds AG
Metzler Pension Management GmbH
Metzler Sozialpartner Pensionsfonds AG
UMA 1 Immobilien GmbH
Metzler Asset Management (Japan) Ltd.
Metzler Japan Holdings Inc.
Metzler North America Corporation
Metzler/Payden, LLC
Metzler Realty Advisors Inc.
MP & R Ventures Inc.
The Ridge S.à.r.l.

Consolidated balance sheet as of 31 December 2025 (short version)

Assets	2025 EUR	2025 EUR	2024 EUR '000
Cash reserve		19,207,546.24	21,564
Due from banks			
on demand	236,062,756.40		449,116
other receivables	10,129,493.15		10,353
		246,192,249.55	459,469
Due from customers		217,665,009.12	198,217
Bonds and other fixed-interest securities			
issued by the public sector	447,911,384.01		331,549
issued by others	1,120,570,042.05		1,011,518
		1,568,481,426.06	1,343,067
Equity shares and other variable-yield securities		179,886,685.30	179,912
Equity investments and shares in associated companies		12,628,137.83	12,295
Fiduciary assets		7,069,327,460.52	6,955,669
Intangible assets and tangible fixed assets		137,497,967.38	138,262
Other assets		70,457,169.14	79,725
Total assets		9,521,343,651.14	9,388,180

Liabilities	2025 EUR	2025 EUR	2024 EUR '000
Due to banks			
on demand		16,007,379.62	6,552
Due to customers			
on demand	1,836,080,473.26		2,017,973
with agreed term or notice period	160,569,450.73		0
		1,996,649,923.99	2,017,973
Fiduciary liabilities		7,069,327,460.52	6,955,669
Other liabilities		63,829,618.29	50,612
Provisions		67,502,731.26	61,221
Fund for general banking risks		115,000,000.00	100,000
Capital and reserves			
Subscribed capital	18,100,000.00		18,100
Reserves	175,641,115.37		175,926
Currency translation	-3,024,577.91		-183
Consolidated unappropriated profit	2,310,000.00		2,310
		193,026,537.46	196,153
Total liabilities		9,521,343,651.14	9,388,180
Contingent liabilities			
from guarantees and indemnity agreements		1,549,239.69	2,519
Other commitments			
Irrevocable lines of credit granted		10,000,000.00	10,610

Consolidated profit and loss account for the period 1 January to 31 December 2025 (short version)

	2025 EUR	2025 EUR	2024 EUR '000
Interest income	100,129,802.03		140,487
Interest expenses	-79,065,187.74		-111,213
		21,064,614.29	29,274
Current income from equity shares, other variable-yield securities and financial assets		1,752,728.68	4,096
Commission income	250,641,505.73		226,958
Commission expenses	-35,266,910.19		-34,584
		215,374,595.54	192,374
Net trading result		4,182,553.09	3,560
General administrative expenses			
Personnel expenses	-140,148,356.16		-130,717
Other administrative expenses	-74,449,522.63		-69,305
		-214,597,878.79	-200,022
Depreciation on intangible assets and tangible fixed assets		-6,956,571.56	-5,262
Other operating income/expenses		-1,854,436.78	-3,869
Provision for contingent loan losses and result from the valuation of certain securities		-5,416,691.77	-5,937
Result from financial assets		-11,492.57	14
Operating income		13,537,420.13	14,228
Taxes		-11,227,420.13	-1,918
Consolidated unappropriated profit		2,310,000.00	12,310
Transfer to other revenue reserves		0.00	-10,000
Net profit		2,310,000.00	2,310



Reference to the unqualified auditor's opinion

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Germany, has issued an unqualified audit opinion for the complete consolidated financial statements and the group management report for the fiscal year from 1 January 2025 to 31 December 2025 prepared by B. Metzler seel. Sohn & Co. Aktiengesellschaft, Frankfurt/Main, Germany.

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Unless otherwise stated, all information in this year's financial statements relates to the 31 December 2025 reporting date.

We would be happy to provide further information on the annual financial statements for 2025. Please address your request to: crm@metzler.com

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